

RELEASE

This Release is made, executed and entered into this ____ day of _____, 2009, by the City of Jonesboro, Arkansas ("Jonesboro") for the use and benefit, and on behalf of, SCS Development, LLC ("SCS") and Employers Mutual Casualty Company ("EMC").

RECITALS:

A. On November 1, 2006, SCS and EMC executed and delivered a Performance Bond in the penal sum of \$22,880.00 ("Performance Bond") for the use and benefit of Jonesboro in connection with the construction or supply of a second layer of asphalt for Jamestown Manor Subdivision, Phase II, Jonesboro, Arkansas ("Project"), and

B. Jonesboro has asserted claims alleged to arise under the Performance Bond, as more specifically set forth in letters from Jonesboro dated 8/9/07, 7/21/08, 8/27/08, 11/24/08 and 4/21/09 ("Performance Bond Claims"), and

C. SCS and EMC have denied, and continue to deny, all liability and responsibility for the Performance Bond Claims, and

D. While reserving all rights, claims and defenses, SCS and EMC have agreed to pay, and Jonesboro has agreed to accept, a payment of \$22,880.00, representing the entire penal sum of the Performance Bond, to settle and compromise the Performance Bond Claims, in order to avoid the risk and expense of protracted litigation.

AGREEMENT:

1. RELEASE AND DISCHARGE BY JONESBORO.

1.1 In consideration for the payment of Twenty-Two Thousand Eight Hundred Eighty and 00/100 Dollars (\$22,880.00), the receipt and sufficiency of which is hereby acknowledged, Jonesboro hereby completely releases and forever discharges SCS and EMC of and from any and all past, present and future claims, demands, obligations, actions, causes of action, rights, damages, costs, expenses and compensation of any nature whatsoever, whether based on a tort, contract, contribution among tortfeasors or any other theory of recovery, which Jonesboro now has, or which may hereafter accrue or otherwise be acquired on account of, or in connection with, the Project or the Performance Bond, including, but not limited to, the Performance Bond Claims.

1.2 Contemporaneously with the execution of this Release, Jonesboro is returning the original Performance Bond and attached Power of Attorney to EMC for cancellation.

1.3 This release and discharge shall also apply to SCS's and EMC's past, present and future officers, directors, stockholders, attorneys, agents, servants, representatives, employers, employees, subsidiaries, affiliates, partners, predecessors and successors-in-interest, and assigns, and all other persons, firms or corporations with whom either of them have been, are now, or may hereafter be, affiliated.

1.4 This Release, on the part of Jonesboro, is a fully binding and complete settlement among Jonesboro, SCS and EMC, and Jonesboros assigns and successors.

1.5 Jonesboro acknowledges and agrees that the release and discharge set forth herein is a general release. Jonesboro expressly waives and assumes the risk of any and all claims for damages which existed as of this date, but of which Jonesboro does not know or suspect to exist, whether through ignorance, oversight, error, negligence or otherwise, in which, if known, would materially affect Jonesboro's decision to enter into this Release. Jonesboro further agrees that Jonesboro has accepted payment of the sum specified herein as a complete compromise of matters involving disputed issues of law and fact. Jonesboro assumes the risk that the facts or law may be other than Jonesboro believes. It is understood and agreed to by Jonesboro that this settlement is a compromise of a doubtful and disputed claim, and the payments are not to be construed as an admission of liability on the part of SCS or EMC, by whom liability is expressly denied.

2. **ATTORNEY'S FEES.**

Jonesboro shall bear all attorney's fees and costs arising from the actions of its own counsel in connection with this Release, the matters and documents referred to herein, and all related matters.

3. **REPRESENTATION OF COMPREHENSION OF DOCUMENT.**

In entering into this Release, Jonesboro represents that it has relied upon the advice of its own counsel, who is the counsel of its own choice, concerning the legal and income tax consequences of this Release; that the terms of this Release have been completely read and explained to it by its counsel; and that the terms of this Release are fully understood and voluntarily accepted by it.

4. **WARRANTY OF CAPACITY TO EXECUTE AGREEMENT.**

Jonesboro represents and warrants that no other person or entity has, or has had, any interest in the claims, demands, obligations or causes of action referred to in this Release; that Jonesboro has the sole right and exclusive authority to execute this Release and accept the consideration specified herein; that the person signing this Release on behalf of Jonesboro is fully authorized and empowered to bind it to the terms of this Release; and that Jonesboro has sold, assigned, transferred, conveyed or otherwise disposed of any of the claims, demands, obligations or causes of action referred to in this Release.

5. **GOVERNING LAW.**

This Release shall be construed and interpreted in accordance with the laws of the State of Arkansas.

6. **ADDITIONAL DOCUMENTS.**

Jonesboro agrees to cooperate fully and to execute any and all supplementary documents and to take all additional action which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Release.

7. **ENTIRE AGREEMENT AND SUCCESSORS-IN-INTEREST.**

This Release contains the entire agreement of Jonesboro with regard to the matters set forth herein, and shall be binding upon, and inure to the benefit of, the heirs, successors and assigns of SCS and EMC.

8. **EFFECTIVENESS.**

This Release shall become effective immediately following execution by Jonesboro.

CITY OF JONESBORO, ARKANSAS

BY: _____
HAROLD PERRIN, MAYOR